GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4881
ANSWERED ON:31.03.2017
Seventh CPC
Venugopal Dr. Ponnusamy

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has accepted the Seventh Central Pay Commission (CPC) panel clause on increment cut and if so, the details thereof; and

(b) whether there is no clarity on the parameters which would form the basis of monitoring the performance of an employee and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a): The 7th Central Pay Commission has retained rate of annual increment at 3 percent. The 7th CPC has also recommended withholding of annual increments in the case of those employees who are not able to meet the benchmark either for MACP or a regular promotion within the first 20 years of their service. These recommendations have been accepted by the Government.

(b): The 7th CPC has observed that it is essential to have a linkage between Departmental Results Framework Documents (RFD) and Annual Appraisal Performance Report (APAR) and has suggested the following modification in the existing APAR system for determining Performance Related Pay:
(i) Alignment of Objectives: The Ministry's Vision/Mission needs to be translated into a set of strategic objectives for each department and these objectives need to be cascaded by the Department Head to his subordinates and subsequently down the chain.
(ii) Prioritizing Objectives, Assigning Success Indicators and their Weights: Objectives reflected in the APAR should be prioritized and assigned weights along with success indictors or Key Performance Indicators. The Commission recommended 60 percent weight on work output and 40 percent weight on personal attributes, instead of existing 60 percent weight on personal attributes and only 40 percent weight to work output.
(iii) No Ex-ante Agreement: The indicators in the APAR of an officer/staff will need to be discussed and set with the supervisor at the beginning of the year.
(iv) Timelines: The timelines for RFD may be synchronized with the preparation of the APAR so that the targets set under RFD get reflected in individual APARs in a seamless manner.
(v) Online APAR System: The Commission recommended introduction of online APARs system for all Central Government officers/employees.

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